

Filed for intro on 02/02/95
House Bill _____
By _____

Senate No. SB1215
By Harper

AN ACT to amend Tennessee Code Annotated, Title 56, relative to insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, is amended by adding the following new language:

Section 56-9-101. There is created a Tennessee Rating Commission within the department of commerce and insurance, whose chief officer is a deputy commissioner of commerce and insurance.

Section 56-9-102. The Tennessee Rating Commission shall determine premium rate increases for all types of insurance issued by any insurance provider authorized to do business by the commissioner.

Section 56-9-103. The Tennessee Rating Commission shall establish a system for the prior approval of premium rate increases in the form of rulemaking with notice and public hearing, subject to Tennessee Code Annotated, Title 4, Chapter 5, the "Uniform Administrative Procedures Act".

Section 56-9-201. The independent office of insurance consumer counsel is created to represent the interests of insurance consumers in Tennessee. The chief officer shall be appointed by the governor with the advice and consent of the senate, shall be licensed to practice law in Tennessee and shall serve as the executive director of the office of insurance consumer counsel.

Section 56-9-202. The office of insurance consumer counsel shall represent insurance consumers as a class in the rulemaking process of the Tennessee Rating Commission and the department of commerce and insurance.

Section 56-9-203.

(a) To defray the costs of creating, administering, and operating the office of insurance consumer counsel, the commissioner of commerce and insurance shall collect the following assessments annually in connection with the collection of other taxes imposed on insurers:

(1) Each property and casualty insurer authorized to do business in this state shall pay an annual assessment of six cents (\$.06) for each policy of property and casualty insurance in force at year end in this state;

(2) Each insurer shall pay an annual assessment of three cents (\$.03) for each individual policy, and for each certificate of insurance evidencing coverage under a group policy of life, health, or accident insurance written for delivery and placed in force with the initial premium thereon paid in full in this state during each calendar year if the insurer is authorized to do business in this state; and

(3) Each title insurance company authorized to do business in this state shall pay an annual assessment of six cents (\$.06) for each owner policy and mortgage policy of title insurance written for delivery in this state during each calendar year and for which the full basic premium is charged.

(b) The office of insurance consumer counsel account is created in the state treasury, and all assessments collected under this article must be deposited in the state treasury to the credit of that account.

(c) The commissioner of commerce and insurance shall adopt necessary rules to provide for the payment to the office of insurance consumer counsel account of assessments collected from insurers under this article.

(d) Money deposited in the office of insurance consumer counsel account may be appropriated for the purpose of paying the costs of creating, administering and operating the office.

Section 56-9-301. The commissioner of commerce and insurance shall develop and promulgate a "Report Card for Insurance Consumers" which would enable the public to compare and contrast insurance companies, insurance policies and premiums in a simple and straight-forward manner.

SECTION 2. This act shall take effect on July 1, 1995, the public welfare requiring it.